

Message Text

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L-03 NSAE-00 NSC-05 PA-01 PRS-01 SP-02 SS-15
USIA-06 AID-05 COME-00 EB-08 FRB-03 TRSE-00
XMB-02 OPIC-03 LAB-04 SIL-01 OMB-01 /086 W
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R 221805Z DEC 77
FM AMEMBASSY ROME
TO SECSTATE WASHDC 9456
INFO AMEMBASSY BONN
AMEMBASSY LONDON
AMEMBASSY MADRID
AMEMBASSY PARIS
USMISSION USNATO
AMCONSUL PALERMO
AMCONSUL NAPLES
AMCONSUL GENOA
AMCONSUL MILAN
AMCONSUL FLORENCE
AMCONSUL TURIN POUCH
AMCONSUL TRIESTE POUCH
USDOCOSOUTH

C O N F I D E N T I A L SECTION 1 OF 2 ROME 21019

WHITE HOUSE FOR DR. BRZEZINSKI

E. O. 11652: GDS
TAGS: PFOR, IT, PINT
SUBJ: THE AMBASSADOR'S CONVERSATION WITH REPUBLICAN PARTY
PRESIDENT LA MALFA

SUMMARY: DESCRIBING THE CONDITION OF ITALY AS "DESPERATE,"
PRI PRESIDENT UGO LA MALFA, IN VERY FRANK, MOVING CON-
VERSATION, ARGUED THAT "THERE IS ONLY ONE CARD LEFT TO PLAY--
BRING THE PCI INTO THE GOVERNMENT." HIS REASONING: ITALY'S
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ECONOMIC CRISIS CAN ONLY BE OVERCOME IF THE PCI TAKES
RESPONSIBILITY FOR TOUGH AUSTERITY MEASURES, AND THEY WILL
NOT DO THIS WITHOUT GOVERNMENT PARTICIPATION. PUTTING
PCI IN GOVERNMENT, HE ADMITS, IS A RISK, BUT RISK CAN BE
MANAGED, ESPECIALLY IF ALDO MORO IS PRESIDENT OF THE
REPUBLIC. REFUSAL TO TAKE THIS RISK, IN HIS VIEW, DOOMS
ITALY TO "SLOW SLIDE INTO THE MEDITERRANEAN." ATTEMPT TO

POSTPONE THE INEVITABLE BY LIMITING PCI TO PARLIAMENTARY MAJORITY PLUS A FEW "TECHNICIANS" IN GOVERNMENT MAY BUY A FEW MONTHS MORE TIME BUT WILL ONLY POSTPONE URGENTLY NEEDED ECONOMIC SOLUTIONS, AND EMERGENCY GOVERNMENT WITH PCI WILL COME ANYWAY IN 1979. END SUMMARY.

1. PRI PRESIDENT UGO LA MALFA AND I HAD PRIVATE TWO-AND-A-HALF HOUR LUNCHEON CONVERSATION, DECEMBER 21, IN WHICH HE SHARED FULLY HIS VIEWS ON PRESENT CRISIS. SPEAKING IN MOVING, DEEPLY SINCERE, AND NON-ARGUMENTATIVE MANNER BEFITTING OUR 16-YEAR-OLD FRIENDSHIP, HE DESCRIBED ITALY'S CONDITION AS "DESPERATE." HIS CONCLUSION: "WE HAVE ONLY ONE CARD LEFT TO PLAY -- BRING THE COMMUNISTS INTO THE GOVERNMENT." HIS REASONING: ITALIAN DEMOCRACY CANNOT BE SAVED UNLESS THE COUNTRY OVERCOMES ITS ECONOMIC CRISIS. TO DO THAT WILL REQUIRE UNPOPULAR AUSTERITY POLICIES WHICH WILL ONLY BE ACCEPTED BY THE WORKING CLASS IF THE PCI TAKES TAKES RESPONSIBILITY FOR THEM. THE PCI WILL NOT TAKE THAT RESPONSIBILITY UNLESS IT GETS SOMETHING IN RETURN, AND THAT SOMETHING IS A SHARE OF GOVERNMENTAL POWER. ALL THE LEADERS OF THE DC, HE ARGUES, NOW AGREE WITH THIS REASONING, EVEN IF THEY DO NOT SAY SO PUBLICLY.

2. IF A GOVERNMENT OF EMERGENCY IS NOT FORMED IN THE
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NEXT FEW MONTHS, LA MALFA SAID, IT WILL BE FORMED IN 1979. IT WOULD BE BETTER TO TAKE THE INEVITABLE STEP NOW, HE ARGUED, AND GET STARTED ON A PATH TO ECONOMIC RECOVERY.

3. WHAT HAD HAPPENED, I ASKED, TO TRIGGER THE CURRENT POLITICAL CRISIS? IN LA MALFA'S VIEW THERE WERE TWO FACTORS: (1) THE ECONOMIC CRISIS HAD DEEPEMED, MAKING CLEAR THAT FUNDAMENTAL STRUCTURAL REFORMS COULD NOT LONGER BE POSTPONED; (2) BERLINGUER'S POSITION WAS BEING CHALLENGED WITHIN THE PCI, WHICH COULD NO LONGER ACCEPT THE PRESENT HALF-IN, HALF-OUT SITUATION. IN OTHER WORDS, THE PC BASE WAS DEMANDING THAT THE PARTY GO ALL IN OR RETURN TO OPPOSITION, "IN WHICH CASE THERE WILL BE CHAOS."

4. WHAT ABOUT THE RISK TO ITALIAN DEMOCRACY AND THE WESTERN ALLIANCE, I ASKED, OF PUTTING THE PCI IN THE GOVERNMENT? THE RISK CAN BE MANAGED, LA MALFA ARGUED. OBVIOUSLY THE PCI WOULD NOT BE GIVEN KEY MINISTRIES SUCH AS FOREIGN AFFAIRS, INTERIOR, DEFENSE, WHICH WOULD GIVE THEM CONTROL OVER FOREIGN AFFAIRS, THE MILITARY OR THE POLICE. THEY WOULD BE GIVEN, AND IN HIS VIEW

WOULD BE SATISFIED WITH A FEW ECONOMIC MINISTRIES --
INDUSTRY, LABOR, POSSIBLY BUDGET AND FOREIGN COMMERCE.
EVEN SO, I ASKED, HOW COULD WE SHARE NATO SECRETS WITH
A GOVERNMENT CONTAINING PCI MEMBERS? LA MALFA ANSWERED:
"IF NECESSARY ITALY WOULD HAVE TO BE EXCLUDED FROM
PARTICIPATION IN CERTAIN NATO COMMITTEES," AND HE
CITED A REPORT IN DEC. 21 ITALIAN PRESS SUGGESTING
THIS WAS ALREADY BEING CONTEMPLATED. WAS THERE NOT
A THREA THAT COMMUNISTS IN AN EMERGENCY GOVERNMENT
WOULD SUBVERT ITALY'S DEMOCRATIC INSTITUTIONS? THE
RISK CAN BE MANAGED, LA MALFA INSISTED, BECAUSE THE
PRESIDENT OF THE REPUBLIC CONTROLS THE ARMED FORCES
AND THE JUDICIARY. IF THE COMMUNISTS DON'T PLAY BY
THE RULES, " WE CAN CALL OUT THE TANKS."
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5. DESPITE WIDESPREAD REPORTS THAT HE HIMSELF IS
SEEKING THE PRESIDENCY OF THE REPUBLIC, LA MALFA INSISTS
HIS CANDIDATE IS ALDO MORO. ONLY MORO, HE SAID, HAS
THE STATURE, THE COMMITMENT TO PRINCIPLE AND THE POWER
BASE TO HANDLE THE PRESIDENCY AND PROTECT ITALIAN
DEMOCRACY DURING A COALITION WITH THE PCI. "WITH
ALDO MORO AS PRESIDENT, IT'S NEVER TOO LATE TO SAVE US
FROM COMMUNISM. IF THE EXPERIMENT DOESN'T WORK, WE
END THE EMERGENCY GOVERNMENT AND GO TO ELECTIONS."

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C O N F I D E N T I A L SECTION 2 OF 2 ROME 21019

WHITE HOUSE FOR DR. BRZEZINSKI

6. ANOTHER BASIC GUARANTEE OF ITALY'S DEMOCRATIC PRO-WESTERN ORIENTATION, LA MALFA SAID, WAS THAT THE MAJORITY OF THE ITALIAN PEOPLE ARE, AND WILL REMAIN, PROFUNDLY PRO-AMERICAN, PRO-WESTERN, ANTI-SOVIET, NON-COMMUNIST. THERE IS EVIDENCE, HE SAID, THAT MARXISM IS ON THE WANE AMONG YOUNG PEOPLE. TIME IS NOT NECESSARILY ON THE COMMUNISTS' SIDE. THEN WHY NOT WAIT, I ASKED, BEFORE BRINGING THEM INTO THE GOVERNMENT? "BECAUSE THE ECONOMIC SITUATION IS DESPERATE. THE
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ITALIAN PEOPLE HAVE TO BE TOLD THAT THE CONSUMPTION BOOM IS OVER -- THAT THEY NEED TEN YEARS OF BELT-TIGHTENING. THE DC IS AFRAID TO TELL THEM THAT AND WILL NOT TELL THEM UNTIL THE PCI SHARES RESPONSIBILITY."

7. LA MALFA ARGUES THAT THE PCI IS ALREADY DE-STALINIZED AND IS WELL ON ITS WAY TO BEING DE-LENINIZED. HE CITED A RECENT SPEECH BY PIETRO INGRAO WHICH HE INTERPRETED AS EVEN THROWING GRAMSCI OVERBOARD. BERLINGUER, WHOM HE KNOWS WELL, HE SEES AS GENUINELY COMMITTED TO A PATH OF SOCIAL DEMOCRACY, INDEPENDENCE FROM SOVIET DOMINATION, AND ACCEPTING ITALY'S POSITION IN THE WESTERN COMMUNITY. HE ADMITTED THAT THERE WERE PRO-SOVIET HARDLINERS IN THE PARTY BUT BELIEVED THEY WOULD BE CONTROLLED. "BUT IF BERLINGUER FAILS IN HIS EFFORT TO JOIN THE GOVERNMENT, HE WILL FALL, THE HARD-LINERS WILL TAKE OVER, AND WE WILL LOSE OUR ONLY HOPE."

8. HOW DID ITALY GET TO SUCH AN IMPASSE? THE ROOTS OF THE ITALIAN CRISIS, HE SAID, ARE IN THE MISTAKES OF ITS THREE MAJOR PARTIES: "THE DC HAS GIVEN US MIS-GOVERNMENT, THE PCI DEMAGOGY, AND THE PSI HALF AND HALF." THE SMALL LAY PARTIES, IN HIS VIEW, MISSED THEIR

OPPORTUNITIES TO UNITE IN A "FRONTE LAICO." WAS IT TOO LATE FOR THIS? LA MALFA THOUGHT IT PROBABLY WAS. THE LIBERALS AND THE SOCIAL DEMOCRATS "HAVVE NO FUTURE." THE PSI "HARDLY EXISTS." " IF CRAXI TRIED TO BRING THE PSI INTO A FRONTE LAICO OR INTO AN ALLIANCE WITH THE DC, HE WOULD LOSE HALF HIS PARTY TO THE COMMUNISTS."

9. THE DEEPER ROOTS OF THE ITALIAN CRISIS, LA MALFA CONTINUED, ARE HISTORICAL-CULTURAL. ITALY HAS NOT SCIENTIFIC CULTURE, ONLY A RHETORICAL CULTURE -- A CONFIDENTIAL

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CULTURE OF DOGMA AND DOCTRINE. IT HAS NO EMPIRICAL TRADITION. AN EXAMPLE IS THAT ITS POLITICAL LEADERS SPEND ALL THEIR TIME DISCUSSING ABSTRACT DOCTRINES AND GOVERNING FORMULAS, WITH LITTLE ATTENTION TO PRACTICAL PROPOSALS TO DEAL WITH REAL PROBLEMS. THIS IS A TRAGEDY, BECAUSE THE ITALIAN PEOPLE AS INDIVIDUALS ARE FULL OF VITALITY AND INGENUITY. " WITH A DECENT GOVERNMENT, WE COULD BE LIKE JAPAN."

10. AFTER LISTENING POLITELY TO LA MALFA'S EXPOSITION, I FIRMLY RESTATED AMERICAN POLICY ALONG OUR AGREED LINES. INTERESTINGLY, LA MALFA MADE NO CRITICISM. THIS IS THE CORRECT LINE FOR THE UNITED STATES TO TAKE, HE SAID. THE UNITED STATES SHOULD CERTAINLY NOT TAKE RESPONSIBILITY FOR BRINGING THE PCI INTO THE GOVERNMENT. US OPPOSITION, STATED PRUDENTLY AND RESPECTFULLY, COULD HELP NON-COMMUNIST POLITICAL LEADERS MANAGE A GOVERNMENT OF EMERGENCY AND PREVENT PCI SUBVERSION.

11. LA MALFA ENDED ON A PERSONAL, PHILOSOPHICAL NOTE: "I ADMIT IT'S A RISK. BUT THE GREATER RISK IS TO KEEP THE PCI OUT OF POWER. TRYING TO GOVERN ITALY WITHOUT THE COMMUNISTS DOOMS ITALY AT BEST TO A CONTINUED SLIDE INTO THE MEDITERRANEAN "(BY WHICH HE MEANS CONTINUED ECONOMIC DECLINE AND ITALY'S INABILITY TO BE AN EFFECTIVE MEMBER OF EUROPEAN AND ATLANTIC INSTITUTIONS) "AND AT WORST CIVIL WAR." "IT IS NOT PLEASANT FOR ME TO COME TO THIS CONCLUSION AT THE END OF MY LONG CAREER -- A CAREER DEVOTED TO DEMOCRACY AND THE WEST. BUT THERE IS NO OTHER WAY OUT."

12 COMMENT: I HAVE REPORTED VERY FULLY ON THIS CONVERSATION IN AN ATTEMPT TO GIVE THE FULL FLAVOR OF THE THINKING OF A MAN WHO, FOR BETTER OR WORSE, IS PLAYING A KEY ROLE IN THE EVOLUTION OF THE CURRENT POLITICAL CRISIS. THE EXTENSIVE QUOTATIONS ABOVE ARE NECESSARILY CONFIDENTIAL

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APPROXIMATIONS, SINCE I DID NOT TAKE STENOGRAPHIC NOTES,
BUT THEY CAPTURE THE ESSENCE OF WHAT HE HAD TO SAY. HE
CAME ACROSS AS A SAD, DISILLUSIONED OLD MAN, "ASHAMED"
AT WHAT HIS COUNTRY HAS COME TO. I LEFT HIM IN NO DOUBT
THAT I DISAGREED WITH HIS ANALYSIS, BUT THERE IS EQUALLY
NO DOUBT OF HIS DETERMINATION TO CONTINUE ON HIS
PRESENT COURSE.GARDNER

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Message Attributes

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TAGS: PFOR, PINT, IT, (LA MALFA, UGO)
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